

Individual State Agency Fiscal Note

Bill Number: H 2741	Bill Title: AN ACT Relating to investing in quality prekindergarten, K-12, and postsecondary opportunities throughout Washington with excise taxes on sales and extraordinary profits of high valued assets	Agency: 140 Department of Revenue
Part I: Estimates <input type="checkbox"/> No Fiscal Impact		

Estimated Cash Receipts to:

Fund	Fiscal Year 2020	Fiscal Year 2021	2019-2021 Total	2021-23 Biennium	2023-25 Biennium
City County Asst Real Estate Excise Tax	(1,058,000)	(33,000)	(1,091,000)	(50,000)	(58,000)
Educ Legacy Trust NEW		803,100,000	803,100,000	1,961,000,000	2,057,800,000
Educ Legacy Trust Real Estate Excise Tax	13,713,000	63,440,000	77,153,000	123,085,000	128,100,000
GF-State Business and Occupation Tax		(22,400,000)	(22,400,000)	(54,300,000)	(57,000,000)
GF-State Real Estate Excise Tax	26,277,000	29,333,000	55,610,000	64,878,000	63,635,000
Publ Works Assist Real Estate Excise Tax	(1,325,000)	(42,000)	(1,367,000)	(58,000)	(3,400,000)
Total	37,607,000	873,398,000	911,005,000	2,094,555,000	2,189,077,000

Estimated Expenditures from:

	Fiscal Year 2020	Fiscal Year 2021	2019-2021 Total	2021-23 Biennium	2023-25 Biennium
FTE Staff Years	13.52	15	14.26	13.95	13.6
Fund					
GF-State 001	2,056,800	3,043,900	5,100,700	5,750,200	3,634,800
Total	2,056,800	3,043,900	5,100,700	5,750,200	3,634,800

The revenue and expenditures estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 4/3/2019
Agency Preparation: SARA DEL MORAL	Phone: (360) 534-1525	Date: 4/3/2019
Agency Approval: KATHY OLINE	Phone: (360) 534-1534	Date: 4/3/2019
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

This fiscal note reflects a proposed substitute (H-2741.1) to HB 2156, 2019 legislative session, and only covers those parts of the bill that impact the Department of Revenue (Department).

PART II - DISTRIBUTION OF REVENUE

REAL ESTATE EXCISE TAX

CURRENT LAW

The revenues from state real estate excise tax (REET) are distributed as follows:

- 2 percent is deposited in the public works assistance account through June 30, 2023. After that date, 6.1 percent is deposited into the public works assistance account.
- 4.1 percent is deposited in the education legacy trust account through June 30, 2023. After that date, no proceeds are deposited into the education legacy trust account.
- 1.6 percent is deposited in the city/county assistance account.
- The remainder is deposited in the general fund.

PROPOSAL

REET collections are distributed as follows beginning January 1, 2020:

- 2 percent of the amount calculated as if current law were still in place is deposited in the public works assistance account through June 30, 2023. After that date, 6.1 percent of the amount calculated as if current law were still in place is deposited into the public works assistance account.
- 4.1 percent of the amount calculated as if current law were still in place is deposited in the education legacy trust account through June 30, 2023. After that date, no proceeds are deposited into the education legacy trust account.
- 1.6 percent of the amount calculated as if current law were still in place is deposited in the city/county assistance fund.
- The remainder of the amount calculated as if current law were still in place is deposited in the general fund.

The remaining collections that were not distributed above are distributed as follows:

- 55.5 percent into the education legacy trust account, and
- 44.5 percent into the general fund.

For purposes of determining the amount of the REET distributions, the bill requires the Department to calculate:

- The collections during the most recently completed three month period (two-month period for the first calculation), beginning March 25, 2020, from the tax imposed by this proposal (Calculation #1).
- The collections for the most recently completed three month period (two-month period for the first calculation) that would have been collected if the rate had been 1.28 percent for all transactions, as stated in current law (Calculation #2). These calculations will be largely based on actual collections data but will include estimates for those counties that do not submit REET affidavits to the Department electronically.
- The amount determined by subtracting the Calculation #2 amount from the Calculation #1 amount.

The Department must notify the state treasurer of the amounts necessary for the state treasurer to make the distributions required in this bill.

Collections will be distributed out of the general fund every three months beginning March 31, 2020.

CAPITAL GAINS

CURRENT LAW

There is no capital gains tax under current law.

PROPOSAL

All revenue from the capital gains tax must be deposited into the education legacy trust account.

PART III - REAL ESTATE EXCISE TAX

CURRENT LAW

Real estate excise tax (REET) is imposed on each sale of real property, including transfers of ownership and transfers of controlling interests in entities that own property in the state. Real property includes any interest in land or anything affixed to land. The state tax rate is 1.28%. Additional local rates are allowed. The combined state and local rate in most areas is 1.78%.

PROPOSAL

The state REET rate of 1.28% will apply to the following land uses, regardless of selling price:

- Undeveloped land,
- Timberland,
- Agricultural land, and
- Water or mineral rights.

This proposal creates a combination of graduated and marginal state REET rates for all other land uses:

- For a selling price up to \$500,000 the state REET rate is 0.9 percent.
- For transactions with a selling price over \$500,000, for the entire portion of the selling price up to \$1.5 million the state REET rate is 1.28 percent.
- For the portion of the selling price over \$1.5 million and up to \$7 million, the state REET rate is 2 percent.
- For the portion of the selling price over \$7 million, the state REET rate is 3 percent.

Beginning July 1, 2022, and every fourth year thereafter, the Department must:

- Adjust the selling price threshold of the first tier with the rate of 0.9 percent, to reflect the lesser of the growth of the consumer price index for shelter or 5 percent. If the growth is less than zero percent, the current selling price threshold applies.
- Adjust the selling price thresholds of the remaining tiers by the dollar amount of increase in the tier with the rate of 0.75 percent.
- Publish updated selling price thresholds by September 1st. Updated selling price thresholds will apply beginning January 1 of every fourth year, beginning January 1, 2023.
- Adjusted selling price thresholds must be rounded to the nearest \$1,000.
- Report the updated selling price thresholds to the fiscal committees of the legislature within six months of publication.

The Department may treat multiple sales as a single sale, as necessary, to prevent parties from reducing the REET liability when it appears there is a concerted plan to reduce the tax rate by splitting a sale up into multiple sales.

Definitions:

Consumer price index for shelter means the most current seasonally adjusted index for the shelter expenditure category of the consumer price index for all urban consumers (CPI-U) as published by July 31 by the bureau of labor statistics.

Growth of the consumer price index for shelter means the percentage increase in the consumer price index for shelter as measured from data published by the bureau of labor statistics by July 31 for the three year period between July 2019 and July 2022, and every four years thereafter.

Agricultural land means farm and agricultural land and farm and agricultural conservation land as defined in RCW 84.34.020, including any structures on such land.

Development means any improvement, alteration, modification, maintenance, or use of land that requires a permit or approval from a state or local government permitting authority.

Impervious surface means a hard surface area that either prevents or retards the entry of water into the soil mantle as under natural conditions before development or that causes water to run off the surface in greater quantities or at an increased rate of flow from the flow present under natural conditions before development.

Open space land means land classified as open space land under chapter 84.34 RCW, including any structures on such land.

Timberland means land classified under chapter 84.34 RCW or designated under chapter 84.33 RCW, including any structures on such land, and standing timber sold apart from the land upon which it sits.

Undeveloped land means any land unaltered from the natural state by the construction, creation, or addition of structures or impervious surfaces.

This part of the bill is effective for taxes due on or after January 1, 2020.

PART IV - CAPITAL GAINS TAX

CURRENT LAW

There is no capital gains tax under current law.

PROPOSAL

Beginning January 1, 2020, a tax is imposed on all individuals for the privilege of selling or exchanging long-term capital assets, or of receiving Washington capital gains. The tax equals 9.9 percent multiplied by the individual's Washington capital gains.

Major features of the tax are as follows:

- A deduction of \$100,000 is allowed for single filers and \$200,000 for joint filers.
- Taxpayers with net long-term capital gains above \$75,000 (single filers) or \$150,000 (joint filers) must file a return.
- Exemptions are allowed for sales or exchanges of certain types of assets.
- An additional deduction is allowed for the sale or exchange of family-owned small businesses that meet requirements, including having \$7 million or less in worldwide gross revenues.
- A deduction is allowed against the business and occupation (B&O) tax.
- A credit is allowed for filers with taxes paid in another state.

Net Long-Term Capital Gains

For the purpose of the tax, the gross amount of capital gains, before exemptions, deductions, and the out-of-state credit, is computed based on an individual's net long-term capital gain, as reported in the federal income tax return. However, this amount is adjusted to add in the value of any capital gains for which federal taxes were deferred under the federal Qualified Opportunity Zone program.

Exemptions

The capital gains tax does not apply to the sale or exchange of the following:

- Any residential dwelling with three or fewer units.
- Assets held under retirement accounts.
- Assets subject to eminent domain or sold or exchanged under imminent threat of eminent domain.
- Cattle, horses, or breeding livestock held for more than 12 months by farmers.
- Agricultural land that meets the criteria under IRC section 469(h) for the 10 years prior to the date of the sale.
- Property used in a trade or business that meets the definitions in I.R.C. Sections 167 or 179.
- Timber, timberland, or the receipt of Washington capital gains as dividends and distributions from real estate investment trusts derived from gains from the sale or exchange of timber and timberland.

Family-Owned Small Businesses

For family-owned small businesses, a deduction is provided for capital gains derived from the sale of substantially all of the assets, or the transfer of substantially all of a person's interest, in a qualified family owned small business. To qualify, they or a family member must have materially participated in the operation of the business for at least 5 of the 8 years preceding the sale or transfer. Sales or transfers to qualified heirs would be exempt from the material participation requirement. To qualify for the deduction, the taxpayer must meet several requirements.

-----Substantially all means 90%:

----- Sale of assets: The sale is of at least 90% of the fair market value of the assets of the business. Assets include real property, tangible personal property, and intangible property.

-----Transfer of interest: The transfer must be of at least 90% of the person's interest in the business. E.g., a person owning 50% of the business must transfer at least 45% of the business ownership (i.e., 90% of his/her share).

A qualified family owned small business can be:

- A sole proprietorship, or
- An interest in an entity carrying on a trade or business if at least:
 - 50% of the entity is owned by the taxpayer and members of his/her family,
 - 70% of the entity is owned by two families and at least 30% is owned by the taxpayer and his/her family, or
 - 90% of the entity is owned by three families and at least 30% is owned by the taxpayer and his/her family.

---Small business: A small business must have 50 or fewer employees and gross revenue in Washington State of \$7 million or less for the 12 months immediately preceding the sale or transfer.

---Material participation:

- The taxpayer or his/her family owned or had a qualifying interest in the business for at least 8 years immediately prior to the sale of assets or transfer of interest.
- During the 8-year period, there must be periods aggregating at least 5 years during which the taxpayer or a member of his/her family materially participated in the operation of the trade or business.
- Exception: The material participation requirement does not apply to sales of assets or transfers of interests to qualified heirs.

Out-of-State Credit

Individuals are allowed a credit equal to the amount of tax paid to another taxing jurisdiction on capital gains derived from sources within the other taxing jurisdiction to the extent the capital gains are included in the measure of the Washington capital gains tax.

Business and Occupation Tax Deduction

A business and occupation (B&O) tax deduction is created to avoid taxing the same amounts under both the B&O and capital gains taxes.

Rules of allocation:

- Adjusted capital gains from the sale or exchange of real property are allocated to this state if the real property or a majority of the fair market value of the real property is located in this state at the time of sale or exchange.
- Adjusted capital gains from the sale or exchange of tangible personal property are allocated to this state if:
 - The property is located in the state at the time of the sale or exchange or during the previous taxable year;
 - The taxpayer was a Washington resident at the time of the sale or exchange; and
 - The taxpayer is not subject to the payment of an income or excise tax on the adjusted capital gains to another jurisdiction.
- Adjusted capital gains from the sale or exchange of intangible personal property are allocated to this state if the taxpayer was domiciled in this state at the time of sale or exchange.

Other Provisions

Washington capital gains tax returns and payments are due at the same time that the taxpayer's federal income tax return for the taxable year is due. Individuals receiving a federal tax filing extension also qualify for a state capital gains tax filing extension, but the tax is still due on the original filing date.

A statutory deduction is provided for amounts that the state is prohibited from taxing under federal law or the constitutions of the United States or state of Washington.

PART V - MISCELLANEOUS PROVISIONS

The tax preferences in this legislation are not subject to the transparency and 10-year expiration date provisions of RCW 82.32.805 and 82.32.808.

If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

This legislation has an emergency clause and takes effect immediately upon the Governor's signature.

II. B - Revenue Impact

PART III - REAL ESTATE EXCISE TAX

ASSUMPTIONS

- Thirty-five counties provide the Department of Revenue (Department) with transaction-level REET data through an electronic system. For the four counties that do not report REET data, it is assumed that the transactions are similar to the urban or rural counties that do report data.
- Thirty-eight percent of the total selling price is for transactions up to \$500,000.
- Some sales subject to REET include property used for multiple purposes. This estimate assumes if the transaction includes the following property use codes that the entire transaction continues at the state REET rate of 1.28%. This equates to 6.4 percent of the total selling price:

- Undeveloped land
- Agriculture classified under current use chapter 84.34 RCW
- Timberland classified under chapter 84.34 RCW
- Open space land classified under chapter 84.34 RCW
- Agriculture (not classified under current use law)
- Water or mineral rights
- Noncommercial forest
- Standing timber (separate from land)

- The percent change in the CPI-U for shelter between July 2019 and July 2022 is an estimated 9.7 percent; therefore, the thresholds grow by 5 percent beginning January 1, 2023. The percentage change in the CPI-U for shelter between July 2022 and July 2026 is an estimated 13.3 percent; therefore, the thresholds grow by 5 percent beginning January 1, 2027.
- All collections are deposited in the general fund until the State Treasurer makes distributions at the end of March, June, September and December each year.
- The Department first calculates the proceeds as if the current law rate applied to all transactions for January and February of Fiscal Year 2020, by March 25, 2020. The first distributions by the State Treasurer will be on March 31, 2020.
- Distributions each fiscal year to the Public Works Account, Education Legacy Account, and City and County Assistance Account will include revenues from June of the previous Fiscal Year.

DATA SOURCES

- Department Real Estate Excise Tax Administration System
- Economic and Revenue Forecast Council November 2018 Forecast
- Office of Financial Management designated rural counties as of April 1, 2018
- Bureau of Labor Statistics
- Statista.com

TOTAL REVENUE IMPACT - PART III

State Government (cash basis, \$000):

FY 2020 -	\$ 37,607
FY 2021 -	\$ 92,698
FY 2022 -	\$ 94,111
FY 2023 -	\$ 93,730
FY 2024 -	\$ 93,131
FY 2025 -	\$ 95,176

Local Government, if applicable (cash basis, \$000):

FY 2020 -	(\$ 1,058)
FY 2021 -	(\$ 33)
FY 2022 -	(\$ 17)
FY 2023 -	(\$ 33)
FY 2024 -	(\$ 25)
FY 2025 -	(\$ 33)

PART IV - CAPITAL GAINS TAX

ASSUMPTIONS

- Approximately 16,000 taxpayers report capital gains in 2021.
- Approximately 12,000 taxpayers pay capital gains taxes for taxes due in 2021.
- The law takes effect on January 1, 2020, and the first annual returns are due April 15, 2021.
- No estimated payments or withholdings are made during the year.
- Compliance is 90 percent in the first year and 95 percent thereafter.
- Capital gains (CG) adjustment & growth rate: We assume the base year CG is equal to the 10-year average CG.
- Growth rate in CG, 10-year average: We assume the growth rate is the lesser of the following two values:
 - 1) The average growth rate for 10-year avg. CG for the last 10 years, and
 - 2) The growth rate predicted using the growth rates for 10-year average equities.

- Approximately 50% of capital gains subject to this tax are also taxable under the B&O tax, and therefore qualify for a deduction.
- All capital gains resulting from sales of residences are exempted.
- The exemption for property used in a trade or business is based on the definition in I.R.C. Sec. 167 or 179.

DATA SOURCES

- Internal Revenue Service (IRS) - Personal income tax returns data, Federal Tax Year 2016, source for capital gains amounts.
- IRS / Statistics of Income (SOI) - Capital Gains summary statistics, 2010 to 2012, source for asset types yielding CG.
- Washington Department of Revenue - Business and occupation tax summary statistics, 2017, source for industry types
- Washington Department of Revenue - excise tax data, fiscal year 2018, source for percentage of capital gains that come from small businesses
- I.H.S. / Global Insights, November 2018 forecast, source for equities growth rate
- OFM population growth forecast, November 2017, source for returns growth rate

TOTAL REVENUE IMPACT - PART IV

State Government (cash basis, \$000):

FY 2020 -	\$ 0
FY 2021 -	\$ 780,700
FY 2022 -	\$ 941,900
FY 2023 -	\$ 964,800
FY 2024 -	\$ 988,300
FY 2025 -	\$ 1,012,500

Local Government, if applicable (cash basis, \$000): None

TOTAL REVENUE IMPACT FOR ALL PARTS

State Government (cash basis, \$000):

FY 2020 -	\$ 37,607
FY 2021 -	\$ 873,398
FY 2022 -	\$ 1,036,011
FY 2023 -	\$ 1,058,544
FY 2024 -	\$ 1,081,391
FY 2025 -	\$ 1,107,686

Local Government, if applicable (cash basis, \$000):

FY 2020 -	(\$ 1,058)
FY 2021 -	(\$ 33)
FY 2022 -	(\$ 17)
FY 2023 -	(\$ 33)
FY 2024 -	(\$ 25)
FY 2025 -	(\$ 33)

II. C - Expenditure Impact

ASSUMPTIONS:

Part 4 - Capital Gains Tax

- This estimate affects 16,000 taxpayers.
- Taxpayers will not be required to make estimated payments.

FIRST YEAR COSTS:

The Department will incur total costs of \$2,056,800 in Fiscal Year 2020. These costs include:

Labor Costs - Time and effort equates to 13.52 FTEs.

Parts 2 & 3 - REET

- Amend one administrative rule and one new complex rule.
- Respond to additional telephone questions, email and written correspondence.
- Set up, program and test computer system changes.
- Additional work items associated with tiered rates and distributions.

Part 4 - Capital Gains Tax

- Provide technical advice, interpretation and analysis during the implementation process.
- Program, setup, test and verify computer systems to accept taxpayer returns and other required information and process reporting information for collection, audit, and refund purposes.
- Answer phone calls and counter inquiries on tax questions and tax return preparation from businesses, individuals, and accountants.
- Update and maintain hard copy and online educational and informational materials.
- Create a special notice and update website and published information.
- Respond to letter ruling requests and email inquiries.
- Adopt two new administrative rules.
- Amend one administrative rule.

Object Costs - \$623,200.

Parts 2 & 3 - REET

- Contract computer system programming.

Part 4 - Capital Gains Tax

- Contract computer system programming.
- Purchase additional server equipment.
- Print and mail a special notice to affected taxpayers.
- Print and mail returns, assessments, penalty waivers, amended returns, refunds, and correspondence.

SECOND YEAR COSTS:

The Department will incur total costs of \$3,043,900 in Fiscal Year 2021. These costs include:

Labor Costs - Time and effort equates to 15.0 FTEs.

Parts 2 & 3 - REET

- Respond to additional telephone questions, email and written correspondence.
- Additional work items associated with tiered rates and distributions.

Part 4 - Capital Gains Tax

- Provide technical advice and interpretation services.
- Ongoing programming and testing of computer systems.
- Answer phone calls and counter inquiries on tax questions and tax return preparation from businesses, individuals, and accountants.
- Update and maintain hard copy and online educational and informational materials.
- Respond to letter ruling requests and email inquiries.
- Establish new reporting accounts for capital gains taxpayers.
- Process paper returns and associated work items.

- Resolve error and out of balance returns, conduct desk audits, prepare refunds and assessments.
- Collect delinquent assessments as a result of return errors.
- Hear additional administrative reviews.

Object Costs - \$1,546,000.

Part 4 - Capital Gains Tax

- Contract computer system programming.
- Purchase additional server equipment.
- Printing and mailing returns, assessments, penalty waivers, amended returns, refunds, and correspondence.
- Legal assistance from the Office of the Attorney General.

ONGOING COSTS:

Ongoing costs for the 2021-23 Biennium equal \$5,750,200 and include similar activities described in the second year costs. Time and effort equates to 13.95 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose:

	Fiscal Year 2020	Fiscal Year 2021	2019-2021 Total	2021-23 Biennium	2023-25 Biennium
Salaries and Wages	914,500	986,600	1,901,100	1,762,600	1,711,400
Benefits	274,300	296,200	570,500	528,900	513,600
Personal Service Contracts	544,000	1,500,000	2,044,000	3,000,000	1,000,000
Supplies & Material	183,600	201,100	384,700	378,900	338,000
Travel				2,800	2,800
Office Equipment	140,400	60,000	200,400	77,000	69,000
Total	2,056,800	3,043,900	5,100,700	5,750,200	3,634,800

III. B - FTE Detail:

Job Classification	Salary	FY 2020 FTEs	FY 2021 FTEs	2019 - 2021 Total	2021 - 2023	2023 - 2025
COMMUNICATIONS CNSLT 4	60,636	.5	.3	.4		
EMS BAND 4	115,593	.02		.01		
EMS BAND 5	135,039	.01		.01		
EXCISE TAX EX 2	51,000		2.7	1.35	2.7	2.7
EXCISE TAX EX 3	56,256	.4	1.6	1	1.65	1.6
EXCISE TAX EX 4	62,148	.2		.1	.05	
FISCAL ANALYST 3	52,332		.1	.05	.1	.1
FORMS AND RECORDS ANALYST 3	48,480	.5		.25		
INFO TECH S/A S 6	85,668	1	1	1	.5	.5
IT SPEC 3	63,684	.5		.25		
IT SPEC 4	70,320	1	1	1	.5	.5
IT SPEC 5	77,616	1.1	1	1.05	.55	.5
MGMT ANALYST1	45,096	.04		.02		
MGMT ANALYST4	63,684	1.1	1.3	1.2	1.3	1.3
OFF ASST 2	31,656		.1	.05	.1	.1
REVENUE AGENT 3	57,708				.7	.7
REVENUE AGENT 4	60,636				.7	.7
TAX INFO SPEC 1	40,908	2	1	1.5	1	1
TAX INFO SPEC 4	60,636	1	1	1	1	1
TAX POLICY SP 2	68,580	.01		.01		

TAX POLICY SP 3	77,616	2.72	2.4	2.56	1.75	1.6
TAX POLICY SP 4	83,556	.38	.5	.44	.35	.3
WMS BAND 2	86,425	1	1	1	1	1
WMS BAND 3	98,308	.04		.02		
Total		13.52	15	14.27	13.95	13.6

III. C - Expenditures by Program (optional):

	Fiscal Year 2020	Fiscal Year 2021	2019-2021 Total	2021-23 Biennium	2023-25 Biennium
Total					

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Should this legislation become law, the Department will take the following rule actions:

Parts 2 & 3 - REET

The Department will use the expedited process to amend WAC 458-61A-100, titled: "REET overview". Persons affected by this rule making would include sellers of real property. The Department will enact one new complex rule to implement Section 302. This impacts sellers of property that would be subject to the new graduated REET because of the large sales price.

Part 4 - Capital Gains Tax

The Department will adopt two new rules under 458-20 WAC, one using the complex process and one using the standard process. The Department will use the expedited process to amend WAC 458-20-224, titled: "Service & Other business activities". Persons affected by this rule making would include service professionals, including lawyers, doctors, and investment fund managers; high-income earners; and persons with significant investments in equities and other capital assets.

Revenue Impact Detail

FUND	SOURCE	CODE	First Biennium		Second Biennium		Third Biennium	
			1st YEAR	2nd YEAR	3rd YEAR	4th YEAR	5th YEAR	6th YEAR
GF-State	Business and Occupation Tax	0105		(22,400,000)	(26,800,000)	(27,500,000)	(28,200,000)	(28,800,000)
GF-State	Real Estate Excise Tax	0157	26,277,000	29,333,000	34,868,000	30,010,000	32,208,000	31,427,000
Total			26,277,000	6,933,000	8,068,000	2,510,000	4,008,000	2,627,000
OTHER								
City County Asst	Real Estate Excise Tax	0157	(1,058,000)	(33,000)	(17,000)	(33,000)	(25,000)	(33,000)
Educ Legacy Trust	NEW	0000		803,100,000	968,700,000	992,300,000	1,016,500,000	1,041,300,000
Educ Legacy Trust	Real Estate Excise Tax	0157	13,713,000	63,440,000	59,285,000	63,800,000	64,200,000	63,900,000
Publ Works Assist	Real Estate Excise Tax	0157	(1,325,000)	(42,000)	(25,000)	(33,000)	(3,292,000)	(108,000)
Total			11,330,000	866,465,000	1,027,943,000	1,056,034,000	1,077,383,000	1,105,059,000
Net			37,607,000	873,398,000	1,036,011,000	1,058,544,000	1,081,391,000	1,107,686,000

Revenue Impact - by Biennium

FUND	SOURCE	CODE	1st Biennium	2nd Biennium	3rd Biennium
GF-State	Business and Occupation Tax	0105	(22,400,000)	(54,300,000)	(57,000,000)
GF-State	Real Estate Excise Tax	0157	55,610,000	64,878,000	63,635,000
Total			33,210,000	10,578,000	6,635,000
OTHER					
City County Asst	Real Estate Excise Tax	0157	(1,091,000)	(50,000)	(58,000)
Educ Legacy Trust	NEW	0000	803,100,000	1,961,000,000	2,057,800,000
Educ Legacy Trust	Real Estate Excise Tax	0157	77,153,000	123,085,000	128,100,000
Publ Works Assist	Real Estate Excise Tax	0157	(1,367,000)	(58,000)	(3,400,000)
Total			877,795,000	2,083,977,000	2,182,442,000
Net			911,005,000	2,094,555,000	2,189,077,000